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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

JAN 11 1993

In the Matter of
Billed Party Preference
for 0+ InterLATA Calls

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CC Docket No. 92-77
Phase 1

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

PETITION FOR RECONSIDERATION

International Telecharge Incorporated ("ITI") hereby petitions pursuant to Rule 1.429 of the Commission's Rules, 47 C.F.R. § 1.429, for reconsideration of the Commission's Report and Order and Request for Supplemental Comment ("CIID Card Order") in Phase 1 of this proceeding.¹ The CIID Card Order should be reversed on reconsideration because it fails to take actions to alleviate the harms found by the Commission and because the order improperly assesses the costs and benefits of the 0+ public domain proposal.

ITI has been an active participant, on its own behalf and as a member of the Competitive Telecommunications Association ("CompTel"), in the FCC's examination of the competitive problems created by AT&T's decision to introduce a proprietary calling card that relies on 0+ dialing by cardholders. ITI agrees with the petition for reconsideration of the CIID Card Order filed by CompTel, which is being filed at the same time as ITI's petition. ITI

¹ Billed Party Preference for 0+ InterLATA Calls, Report and Order and Request for Supplemental Comment, CC Docket No. 92-77, Phase 1, FCC 92-465 (Nov. 6, 1992). Public notice of this Report and Order was published at 57 Fed. Reg. 58806 (Dec. 11, 1992).

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believes that, as demonstrated by CompTel, the CIID Card Order is contrary to the record before the Commission in this docket.²

ITI is an operator services provider ("OSP") and a CompTel member. The harms caused by AT&T's CIID card that were described in the CIID Card Order are very real to ITI. ITI's most frequent complaint received from customers having difficulty placing their call is that ITI cannot accept the AT&T CIID card.³ As one of ITI's Group Managers states, the problem is that most customers "just want to place their call and are baffled, confused, frustrated and in many cases angered by the fact that ITI cannot accept their CIID card."⁴ This degree of customer confusion and anger harms ITI's reputation with its customers and with aggregators who decide whether or not to select ITI as the carrier presubscribed to their telephone line.

As CompTel demonstrates in its Petition for Reconsideration, the CIID Card Order recognizes that the AT&T CIID card has caused harm to consumers and to competition in

² The record in docket 92-77 includes CompTel's Emergency Motion filed in docket 91-115 and the comments submitted in response to that Motion. See Billed Party Preference for 0+ InterLATA Calls, Notice of Proposed Rulemaking, CC Docket No. 92-77, 7 FCC Rcd 3027, 3033 n.41 (1992).

³ See ITI Reply Comments, CC Docket 92-77, Phase 1 (filed June 17, 1992) (attaching declarations from 115 of its operator services staff members).

⁴ Id. at 2 (citing declaration of Polly Hudson, Group Manager, ITI).

operator services, but fails to adopt an adequate solution to the problem it identifies.⁵ Instead of immediate action to address immediate problems, the CIID Card Order leaves OSPs with the empty "promise" that in the future, after the implementation of billed party preference, the harms engendered by AT&T's proprietary 0+ card will be alleviated.⁶ This "promise" does not provide any relief to ITI or calling card users who, as the CIID Card Order found, are being harmed now by an AT&T calling card strategy which frustrates and confuses CIID cardholders and wrongly increases ITI's costs of doing business. Particularly in light of the substantial problems and delay associated with billed party preference, even the Commission's promise to promptly consider billed party preference does not address the harm experienced by consumers and OSPs. Therefore, the CIID Card Order should be reconsidered because it fails to take actions

⁵ See CompTel Petition for Reconsideration at 7-15.

⁶ The CIID Card Order also orders AT&T to re-educate its cardholders concerning proper dialing procedures and proposes that OSPs receive compensation for misdirected CIID card call attempts. CIID Card Order at ¶¶ 50, 56. Both of these actions, even though potentially beneficial, are inadequate to alleviate the problems identified in the Order. AT&T still is permitted to combine 0+ dialing with its proprietary card, which is a combination that ensures ITI and other OSPs will receive misdirected CIID attempts. Further, although compensation might reimburse ITI for its direct costs attributable to CIID attempts, it does not prevent consumer inconvenience resulting from misdialed calls, nor does it address the injury resulting from misdirected consumer anger at ITI's "refusal" to carry their call.

consistent with its findings of harm and the record before the Commission.

Secondly, the Commission's cost/benefit analysis of the 0+ public domain proposal is flawed. The Commission's primary error was to accept as fact AT&T's thinly-veiled threat to force its customers to dial access codes when using the CIID card. This error caused the Commission to drastically inflate the costs of 0+ public domain and to discount or ignore the benefits of the proposal.⁷ The self-serving speculation of a regulated entity concerning its possible reaction to possible Commission action cannot serve as a legitimate basis for altering the costs and benefits of the proposal under consideration.⁸ AT&T, simply by threatening the most drastic action under the circumstances, cannot be permitted to dominate the Commission's analysis of the public interest.

Instead, the Commission should have evaluated the costs and benefits of 0+ public domain without having its analysis held hostage by AT&T's threats. 0+ public domain is the only solution which addresses the core problem with the CIID card: its combination of proprietary validation and billing

⁷ See CompTel Petition for Reconsideration at 16-17.

⁸ Moreover, even if AT&T carried out its threat and confined its CIID card to access code dialing, two of the primary benefits of 0+ public domain would be achieved: harm to consumers and OSPs from misdirected CIID attempts would be eliminated and parity would be restored by placing AT&T's proprietary card on a par with the proprietary cards of MCI, Sprint and all other IXCs who have issued calling cards.

policies with a dialing format inconsistent with proprietary cards. The benefit of eliminating this harmful combination far exceeds the perceived costs of 0+ public domain.

CONCLUSION

For the reasons stated above and in CompTel's Petition for Reconsideration, ITI requests that the Commission reconsider its CIID Card Order. On reconsideration, the Commission should adopt the 0+ public domain proposal as an immediate solution to the harm to consumers and competition in operator services that is engendered by AT&T's introduction of a proprietary 0+ calling card.

Respectfully submitted,

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